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Twenty-ninth executive session
Geneva, 13 September 2002
Item 1 of the provisional agenda

## I. PROVISIONAL AGENDA

1. Adoption of the agenda
2. UNCTAD's contribution to UN-NADAF: UNCTAD's activities in favour of Africa
3. Other matters in the field of trade and development:

   Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-fifth session
4. Institutional, organizational, administrative and related matters:
   (a) Designation of the President and Bureau of the forty-ninth session of the Trade and Development Board
   (b) Membership of the Trade and Development Board
   (c) Membership of the Working Party for 2003
   (d) Membership for 2003 of the Advisory Body established in accordance with paragraph 166 of the Bangkok Plan of Action
   (e) Administrative and financial implications of the actions of the Board
5. Other business

   Information on the activities of the Advisory Body established in accordance with paragraph 166 of the Bangkok Plan of Action
6. Report of the Board on its twenty-ninth executive session

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## II. ANNOTATIONS TO THE PROVISIONAL AGENDA

### Item 1 Adoption of the agenda

1. The provisional agenda for the session is reproduced above.

**Documentation**

| | |
|---|---|
| TD/B/EX(29)/1 | Provisional agenda and annotations |

### Item 2 UNCTAD's contribution to UN-NADAF: UNCTAD's activities in favour of Africa

2. In accordance with decision 443 (XLIV) of the Board, the Secretary-General of UNCTAD is to report to an executive session of the Board on activities undertaken by UNCTAD in favour of Africa.

3. The report of the Secretary-General of UNCTAD is the sixth in a series of reports submitted annually. It provides an overview of the general thrust of research and analysis being undertaken by UNCTAD with regard to African development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate.

**Documentation**

| | |
|---|---|
| TD/B/EX(29)/2 | UNCTAD's contribution to the implementation of the United Nations New Agenda for the development of Africa in the 1990s: Activities undertaken by UNCTAD in favour of Africa Report of the Secretary-General of UNCTAD |

### Item 3 Other matters in the field of trade and development:

**Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-fifth session**

4. At its thirty-fifth session (15–19 April 2002), the Joint Advisory Group on the International Trade Centre reviewed ITC's technical cooperation activities in 2001 and took note of the report of the Consultative Committee on the ITC Global Trust Fund. The Group endorsed the ITC proposal for undertaking activities in follow-up to the Doha Ministerial Declaration.

**Documentation**

| | |
|---|---|
| ITC/AG/(XXXV)/191 | Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-fifth session |

**Item 4 Institutional, organizational, administrative and related matters:**

*(a) Designation of the President and Bureau of the forty-ninth session of the Trade and Development Board*

5. In accordance with the cycle of rotation, the President of the Board for the forty-ninth session will be a representative of one of the States in List D and the Rapporteur a representative of one of the States in List A (Asia). The 10 Vice-Presidents will therefore be as follows: 2 from List A (Africa) and 1 from List A (Asia); 4 from List B; 2 from List C; and 1 from List D.

*(b) Membership of the Trade and Development Board*

6. Under the provisions of paragraph 5 of General Assembly resolution 1995 (XIX), the Board will welcome Botswana to membership. The membership of the Board will then stand at 147.

*(c) Membership of the Working Party for 2003*

7. The Board will be required to establish the membership of the Working Party for 2003. In accordance with the provisions of Board decision 236 (XXXIII), the Working Party consists of 19 members, as follows: List A and C combined – 9 (Africa 3, Asia 3, Latin America 3); List B – 6; List D – 3; and China – 1.

*(d) Membership for 2003 of the Advisory Body established in accordance with paragraph 166 of the Bangkok Plan of Action*

8. The Board will be required to establish the membership of the Advisory Body for 2003. The Advisory Body will be composed of 15 members: 6 from Group A, 3 from Group C, 4 from Group B and 2 from Group D.

*(e) Administrative and financial implications of the actions of the Board*

9. During the session, the Board will be informed of the administrative and financial implications, if any, of action before it.

**Item 5 Other business**

*Information on the activities of the Advisory Body established in accordance with paragraph 166 of the Bangkok Plan of Action*

10. In accordance with decision 466 (XLVII), the President of the Advisory Body will inform the Board on the activities of the Advisory Body.

**Item 6 Report of the Board on its twenty-ninth executive session**

11. The Board may wish to authorize the Rapporteur to finalize the report on its twenty-ninth executive session under the authority of the President.

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Twenty-ninth executive session
Geneva, 13 September 2002

# UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s: ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

Report by the Secretary-General of UNCTAD

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## INTRODUCTION

1. The Trade and Development Board considers annually, at one of its executive sessions, a report on UNCTAD's activities in favour of Africa. The present document is the sixth in the series since the 15th executive session of the Board. It provides an overview of research and analysis being undertaken by UNCTAD with regard to African development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. This report complements and updates the information in document TD/B/EX(27)/2, which was submitted to the 27th executive session of the Board in July 2001.

2. Broadly, the objective of UNCTAD's activities in favour of Africa can be described as research on African development with a view to adopting policies at the national and international levels to help accelerate growth and development on the continent. UNCTAD's technical assistance and advisory services for Africa are aimed at capacity-building in various areas of UNCTAD's competence, including the following:

a) *trade and services,* where the objective is to better integrate African countries into the international trading system through assistance in the implementation of trade rules, better use of existing preferential/differential clauses in relevant agreements, better access to markets, and enhancement of negotiating capacities;

b) *investment,* with the goal of improving the investment climate in Africa while identifying opportunities for attracting increased levels of FDI to the continent;

c) *trade facilitation,* where the aim is to enhance capacities in order to reduce transaction costs through better use of information technologies in areas such as trade information, customs, ports and rail transport;

d) *commodities,* with a focus on diversification and better risk management; and

e) *external debt,* where the objectives are to introduce debt management techniques and assist in negotiations in the context of the Paris Club as well as to enhance current debt reduction facilities.

3. UNCTAD's activities in favour of Africa will henceforth be aimed at helping African countries to realize their objectives in the context of the New Partnership for Africa's Development (NEPAD). The UNCTAD secretariat has already been actively involved in providing substantive support to the NEPAD Secretariat through the provision of studies and analyses on matters related to market access, diversification and capital flows. Further, at the request of the G8 host country, UNCTAD has provided inputs and information on trade and investment issues for G8's preparations for discussions with NEPAD partners. NEPAD is expected to form the basis of the successor arrangement to the UN-NADAF in the context of the final review and appraisal of the UN-NADAF by the United Nations General Assembly in autumn 2002.

# I. POLICY RESEARCH AND ANALYSIS

## A. Consideration by the Trade and Development Board of UNCTAD's contribution to the implementation of the UN-NADAF

4. For the Board's consideration of this item at its 48th session, the UNCTAD secretariat prepared a report on "Economic Development in Africa: Performance, Prospects and Policy Issues". The report was prepared at the request of the General Assembly and UNCTAD X as a contribution to the final review and appraisal of the implementation of the UN-NADAF. The report reviewed economic performance in Africa in the 1990s and made a number of policy recommendations in order to enhance growth and development on the continent. At the request of the Panel of Eminent Personalities on the Independent Evaluation of the UN-NADAF, the contents and conclusions of the report were presented to them.

## B. *Least Developed Countries Report 2002*

5. The first part of the *Least Developed Countries Report 2002* reviews recent developments in LDCs, including trends in financial flows to these countries and their external trade. The second part of the Report responds to the new challenges set by the Programme of Action for the Least Developed Countries for the Decade 2001–2010 (PoA), in particular the central goal of poverty reduction. Since internationally comparable data on poverty trends are presently unavailable, the Report seeks to rectify this deficiency by constructing a new data set on poverty in LDCs by combining national accounts and household survey statistics. On this basis, it describes the specificities of poverty in LDCs and analyses the complex interrelationships between growth and poverty and the ways in which these are affected by international trade. The Report pays particular attention to the relationship between commodity dependence and poverty. It also considers the implications of the analysis for making poverty reduction strategies more effective.

## C. Contribution to the work of the Committee for Development Policy (CDP) and ECOSOC

6. UNCTAD has participated in and contributed to the CDP's work on the revision of the criteria and methodology for inclusion in and graduation from the United Nations list of LDCs. In this context, UNCTAD produced various papers, among them a note on the benefits associated with the LDC status and the question of graduation (E/2001/CRP.5 and Add.1).

## D. Third United Nations Conference on the Least Developed Countries: preparation and follow-up

7. UNCTAD made substantive contributions to the preparation and follow-up of LDC-III, including drafting the Programme of Action for the Least Developed Countries for the Decade 2001–2010 (PoA) and a draft road map for its effective implementation. The road

map serves as a basic outline for UNCTAD to operationalize the implementation of the PoA within its mandate and competence. It could also be an important starting point for United Nations–wide follow-up when the United Nations Office of the High Representative becomes operational. During the preparatory process for LDC-III, African LDCs received, *inter alia*, assistance from UNCTAD in preparing their respective national programmes of action for the current decade. As a result, 33 out of 34 African LDCs were able to present their national programmes of action at the Conference. Their effective implementation depends critically on the efficiency of the new United Nations-wide follow-up mechanism.

## II. SECTORAL ISSUES

### A. International trade

8. Support to African countries, in particular the LDCs, in the development of trade policies and negotiations continued to be a key feature of UNCTAD's trade-related technical assistance and capacity-building activities. In 2001, emphasis was placed on sensitizing African countries to the development implications of trade negotiation issues considered in the preparatory process for the Fourth WTO Ministerial Conference in Doha, Qatar (November 2001), and on helping them to identify key priorities reflecting their concerns and interests with regard to the negotiations. Technical and advisory services were delivered to national preparatory consultations among key stakeholders from government, the private sector, academia and civil society so as to elaborate national perspectives pertaining to the WTO Ministerial Conference.

#### 1. ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP)[1]

9. JITAP is the integrated response of ITC, UNCTAD and WTO, in collaboration with interested international donors, to assist in building human, institutional, policy and export strategy capacities in African countries so as to better understand and manage their integration into the multilateral trading system.

10. During the reporting period, the joint implementation by ITC, UNCTAD and WTO of a series of interconnected activities continued in all areas of JITAP intervention including programme management, assistance to customs, support in the adjustment of national legislation to WTO rules, building of reference centres on multilateral trade issues, trade point activities, a trade secrets handbook, trade financing and quality management.[2] Particular attention was focused on four priority areas, following recommendations made by a midterm evaluation of JITAP conducted by external auditors in autumn 2000. These four priority areas are (i) human resource development, (ii) development of export sector strategies, (iii) revitalization of inter-institutional committees on WTO, and (iv) operationalization of the Internet-based communication and discussion forum.

11. UNCTAD carried the lead responsibility for priority (ii), coordinating the implementation of activities in this area with the full participation of ITC and WTO. The revival of the national Inter-Institutional Committees (IICs) on WTO and their affiliated bodies continued apace, with encouraging results. Country studies on key trade issues arising from WTO and the operations of the IICs were concluded for all JITAP countries in the beginning of the year. National retreats were then conducted in each country between April and June, using the country studies, and these retreats resulted in increased understanding of the constitution and purposes of the IICs, their profiles in government machinery, and the

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[1] The beneficiary countries are Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda and the United Republic of Tanzania.

[2] These activities affect all countries except Tunisia, where the programme was completed in 1999.

elaboration of work programmes encompassing national consultation and monitoring of the implementation of WTO obligations and preparing for trade negotiations.

12. UNCTAD also participated in the implementation of activities in the other three priority areas coordinated by ITC or WTO.

13. Under the auspices of the programme, national preparatory retreats were convened in seven beneficiary countries between April and May 2001. The national retreats were followed by two high-level subregional meetings (in Ouagadougou and Nairobi in August 2001) to exchange experiences and formulate common approaches. Negotiation briefs on key issues in connection with the Doha Conference were provided to assist the national and subregional deliberations. In this context, support was also provided for strengthening institutional capacity for trade policy management through the national inter-institutional committees on WTO. The national committees were supported in meeting regularly to formulate national positions for the Doha WTO Conference. Specialized meetings on agriculture and services were also organized to assist countries in their participation in the WTO negotiations involving these two sectors. These consultations facilitated the development of national positions for the African Trade Ministers Meeting in Abuja (September 2001), the ACP Trade Ministers Meeting in Brussels (November 2001) and the Doha Conference itself. The national committees continued to meet after the Doha Conference in order to assess its results. The work also involved strengthening the linkage between the national stakeholders and their counterpart trade negotiators in Geneva via multi-point video conferences.

14. Implementation of the programme resulted in effective participation by the beneficiary countries in the Fourth WTO Ministerial Conference. Institutional capacities for policy-making, trade negotiations, export development and dissemination of information were reactivated and strengthened. Understanding of WTO Agreements and negotiations has improved substantially. Joint coordination and implementation by ITC, UNCTAD and WTO has increased synergies and has ensured efficient use of resources through economies of scale in management and programme implementation.

## 2. Integrated Framework for Trade-Related Technical Assistance to Support Least Developed Countries in Their Trade and Trade-Related Activities

15. In March 2001, a Pilot Scheme was launched by the Integrated Framework (IF) Steering Committee to implement the new arrangements for the IF resulting from the recommendations of the IF-mandated review carried out in 2000. The Pilot Scheme was initially implemented in three countries – Cambodia, Madagascar and Mauritania. UNCTAD initiated consultations with the concerned governments and submitted draft project proposals for technical assistance for their consideration and approval as well as for resource mobilization. Drawing from lessons learned from the initial phase of the Pilot Scheme, the IF Steering Committee approved the extension of the Pilot Scheme to 11 other countries, namely Burundi, Djibouti, Eritrea, Ethiopia, Guinea, Lesotho, Malawi, Mali, Nepal, Senegal and Yemen.

16. UNCTAD is cooperating with other core agencies in the preparation of the diagnostic trade integration studies led by the World Bank. This cooperation includes contributing inputs into the studies as well as participating in the national workshops organized to consider the findings and recommendations emerging from the studies, including technical assistance action matrices.

17. In paragraph 43 of the Doha Ministerial Declaration, Ministers "urge the core agencies, in coordination with development partners, to explore the enhancement of the IF with a view to addressing the supply-side constraints of LDCs and the extension of the model to all LDCs, following the review of the IF and the appraisal of the on-going Pilot Scheme in selected LDCs".

18. At a joint meeting of the Interagency Working Group and the OECD/DAC held in Paris in January 2002, donors pointed to the need for urgent follow-up of the diagnostic studies and the need for agencies to help pilot countries translate country action plans into concrete plans for funding.

19. In the Joint Communiqué issued at the end of their meeting in Washington on 26 February 2002, the heads of the six core agencies urged "bilateral donors and multilateral agencies, in consultation with the national authorities of the pilot countries, to assume 'lead donor roles' in the individual beneficiary countries, with a view to ensuring that the priority technical assistance recommendations in the action plans/matrices are implemented". Consultations have since been undertaken and progress has been made with respect to identifying possible lead donors in some of the pilot countries.

### 3. Other trade-related technical assistance

#### *(a) UNDP/UNCTAD Technical Assistance Programme for Africa*

20. Under a regional programme on capacity-building in trade, supported by UNDP, UNCTAD collaborated with the OAU/AEC Secretariat and UN-ECA in organizing the OAU/AEC High-Level Brainstorming Meeting for African Trade Negotiators Preparatory to the Fourth WTO Ministerial Conference in Addis Ababa (June 2001). The meeting helped African trade negotiators identify their evolving trade negotiation objectives for the Doha Conference. In addition, advisory support on trade negotiation issues was provided, upon request, to several subregional and regional preparatory events including the Commonwealth/SEATINI Brainstorming Session in Preparation for the Fourth WTO Ministerial Conference (Lusaka, Zambia, August 2001); the COMESA/SADC Preparatory Meeting for the Fourth WTO Ministerial Conference (Cairo, Egypt, July 2001); the Fourth OAU/AEC Conference of Ministers of Trade (Abuja, Nigeria, September 2001), for which UNCTAD also provided a background paper on recent developments in the multilateral trading system; and the Fourth Meeting of ACP Trade Ministers on the Doha WTO Ministerial Conference (Brussels, Belgium, November 2001). Additionally, technical support was provided for a national seminar on trade in services and the Doha results in Botswana at the end of November 2001.

***(b) Support to the least developed countries in preparations for trade negotiations***

21. National preparatory consultations and consensus-building on national perspectives pertaining to the WTO Ministerial Conference were supported in several African LDCs including Chad, Mali, Niger and Togo. In each workshop, papers on national priorities and negotiation briefs on Doha Conference issues were provided. With respect to LDCs, UNCTAD also supported the preparation and organization by the Government of Tanzania of the Least Developed Countries Trade Ministers' Meeting (Zanzibar, United Republic of Tanzania, 22–24 July 2001). Most LDCs participated in this meeting and adopted joint objectives with respect to the Doha Conference. In addition, UNCTAD is making a contribution in the area of investment for Diagnostic Trade Integration Studies (DTIS) for Lesotho, which is part of the second group of IF Pilot Scheme countries.

***(c) Assistance to regional integration groupings***

22. The objective is to increase regionalization efforts and foster intraregional trade by supporting and enabling government officials to conduct negotiations in the area of goods and services at the regional, subregional and multilateral levels, carefully assessing the impact of rules-of-origin regulations on trade among the partner countries of the region.

23. In the case of the Southern African Development Community (SADC), UNCTAD has concentrated its support in the area of services (see paragraphs 36–37 below) but has also continued to provide policy advice to SADC in the context of the implementation of the SADC Protocol on Trade (in goods), participating in each of the meetings of the Trade Negotiating Forum (TNF) and the High Committee on Market Access and Rules of Origin (MARO) as well in two round tables, and contributing to the substantive preparation for and follow-up to the meetings in collaboration with the SADC Secretariat in Gaborone.

24. Steps have been taken to apply the experience gained in the SADC context to other regional integration initiatives such as COMESA, which has indicated that it would appreciate receiving similar technical assistance. In April 2002, UNCTAD provided substantive and organizational support to the Regional Workshop on Agriculture and Food Security for 14 Economic Community of West African States (ECOWAS) member States as well as for the National Workshop on Trade Negotiations in Agriculture and Services in Senegal.

**4. Diversification and commodity-based development**

25. African countries are the major beneficiaries of the project "Capacity-Building for Diversification and Commodity-Based Development", which is in line with the principles contained in the draft "Operational Framework for Action on Diversification of African Economies".[3] Among the seven regional workshops planned under the project, four have been conducted in Africa.

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[3] See paragraph 74 of TD/B/EX(27)/2.

26. During the reporting period, in collaboration with the Government of Kenya, UNCTAD organized a regional workshop on Horticulture Sector Diversification and Development for English-Speaking African countries in Nairobi from 29 to 31 May 2001. Another national strategic workshop was held in Nigeria from 23 to 25 April 2002.

27. A national workshop on links between artisanal fisheries and world markets took place in Gambia on 11 and 12 August 2001. The workshop identified a series of problems connected with the development of the fisheries sector in Gambia and produced recommendations regarding actions required in order to increase production capacity and marketing in the industry.

## 5. Training activities

28. The recommendations, approved at the 38th session of the Working Party on the Medium-Term Plan and Programme Budget, put forward the integration, under one umbrella, of the TrainForTrade Programme, the Port Certificate Programme and certain components of the TrainMar Programme. The integration of the networks is being done through an HRD/SITE Internet site where partner institutions can exchange information. A new framework for technical assistance is being developed which takes into account the integration of the programmes.

29. A three-week seminar for Portuguese-speaking African countries was organized in Cape Verde in October–November 2001. Managers of port enterprises from Angola, Cape Verde, Guinea Bissau and Mozambique participated. An instructor workshop for participants from several French-speaking African countries took place from 10 to 14 April 2002 in Cotonou, Benin.

30. Benin, Burkina Faso and Mali are the beneficiaries of a TrainForTrade regional project for strengthening training capacities in international trade. Regional training workshops on "Multimodal Transport for Top Policy Makers" and "Multimodal Transport and Logistics" were organized respectively in July 2001 and March 2002. Furthermore, a course on "The Implementation of a Competition Law and Policy" was delivered in Ouagadougou in March 2002, and the French version of the course on "Trade, Environment and Development" was validated in April 2002.

31. The ports of Benin and Senegal have had the experience of organizing two full cycles of UNCTAD's Port Certificate Programme. They have captured widespread local expertise on the instructional side and can be considered autonomous in this area. Both ports are seeking arrangements with local tertiary-education establishments to give permanency to the programme by having it included in existing diploma programmes. In addition, the second session of the Port Certificate course was held in September 2001 in Ghent (Belgium) for French-speaking African countries (Benin, Cameroon, Côte d'Ivoire, Guinea, Togo and Tunisia).

32. Distance-learning activities using information techonology (IT) tools and the Internet have been progressively incorporated into the delivery of training seminars. Already a

training seminar on "International Agreements on Investment" held in Alexandria (Egypt) in June 2001 has added distance-learning components such as the production of pedagogical material on CD-ROMs and the use of chat forums via e-platforms. A distance-learning pilot exercise has been undertaken to train participants in Senegal and Comoros on the Port Certificate (October 2001–March 2002). In addition, 35 participants from Benin, Burkina Faso and Mali attended the distance-learning seminar on basic elements of the "Competition Law and Policy" training course. This activity was carried out in four half-day sessions during November 2001.

## B. Services development

### 1. Coordinated African Programme of Assistance on Services (CAPAS)

33. The objective of CAPAS IV is to assist African countries in formulating approaches for subregional trade liberalization in services and strengthening their negotiating capacities in the GATS negotiations.

34. To expedite the work on services at the multilateral level, an analysis of the proposals submitted to the WTO Council on Trade in Services was done. The results were disseminated to the African group in Geneva through ad hoc meetings and regionally during workshops held in the region.

35. Under the auspices of the JITAP programme, three workshops were held in the three East African countries: Kenya (10–11 September 2001), Uganda (10–11 December 2001) and the United Republic of Tanzania (13–14 December 2001). These workshops underscored the importance of the stakeholders from the private sector and academia and the policy makers dealing with issues related to specific services sectors of interest to the country. Officials representing the Government of Kenya used the workshop to develop a proposal for the GATS negotiations.

36. As was agreed by SADC member States and endorsed by the SADC Ministers of Trade and Industry, CAPAS IV is supporting the SADC negotiations on trade in services both regionally and multilaterally. In this regard, UNCTAD has developed templates on trade in services in the horizontal and in the six priority sectors for SADC negotiations. In preparation for the request/offer phase of the GATS negotiations, UNCTAD, in collaboration with the Commonwealth Secretariat and the SADC Secretariat, organized a regional workshop in Namibia from 20 to 24 May 2002.

37. At the request of some SADC member States, national workshops were carried out in Mauritius from 3 to 4 May 2001; in Gaborone, Botswana, from 26 to 27 November 2001; and in Capetown, South Africa, from 29 to 30 November 2001.

### 2. Trade Point Programme

38. As of 31 December 2001, there were 35 Trade Points at various stages of development in 24 African countries, of which the following 20 were operational or nearly

operational: Burkina Faso, Côte d'Ivoire, Egypt (10 Trade Points), Ethiopia, Mauritius, Senegal, South Africa, Tunisia, Uganda, Zambia and Zimbabwe. One Trade Point is in the development stage (Sudan) and 14 are in the feasibility stage (Algeria, Angola, Benin, Eritrea, Gambia, Ghana, Kenya, Mali, Mauritania, Morocco, Mozambique, South Africa (two Trade Points) and the United Republic of Tanzania). During 2001 the number of Trade Points at the operational level increased considerably, particularly in sub-Saharan Africa. Additionally, UNCTAD has registered 15 requests from African governments, including six from LDCs, for the establishment of Trade Points.

### *(a) African Trade Point Initiative*

39. A meeting of 16 African Trade Point directors was held in Pretoria, South Africa (13–16 August 2001), under the sponsorship of the Trade Point National Steering Committee of South Africa. The aims were to establish a regional Trade Point forum, to promote trade between African countries and to discuss strategic partnerships. As a result, an African Trade Point Initiative was founded and opened to all African Trade Points. It will help increase coordination, trade information flow, and the exchange of business contacts, in addition to constituting a channel of communication among Trade Points and helping them share their experiences with a view also to increasing intra-African trade.

## 3. ASYCUDA

40. The Automated System for Customs Data (ASYCUDA) has been installed or is being installed in 29 countries in Africa. In 2000, most of the countries using the former release of the system (ASYCUDA version 2) decided to migrate to the latest release, ASYCUDA++. Technical assistance projects for the migration to ASYCUDA++ are already under way in eight countries, while another two countries that were not ASYCUDA users before have started to implement the system. In almost all these countries the governments decided to finance these projects directly from their own budget, thus demonstrating their commitment and the real benefits to be gained from the system.

41. Starting in October 2001, UNCTAD/ASYCUDA decided to second an IT expert, based in Ouagadougou, to assist the countries of western Africa in their migration process. The essential objective is to make available at the regional level the expertise needed to support system implementation and maintenance. Discussions are in progress with regional organizations such as CEMAC, COMESA, ECOWAS and UEMOA and potential donors for the establishment of regional support centres.

42. In March 2001, a seminar took place in Ouagadougou, with the participation of UNCTAD, UEMOA and member states. The objective was to normalize the codes used in the ASYCUDA national implementations, in addition to the standards already adopted by regional and international organizations in the field of customs.

## 4. E-commerce

43. Within the framework of cooperation with ITC, a seminar on "E-Commerce for the Development of SMEs" and a training workshop on "E-Commerce for COMESA and Arab

Countries" were organized in Cairo on 5 November and from 6 to 9 November 2001, respectively. The events were co-organized by the Egyptian International Trade Point in Cairo.

## 5. Transport and transit

44. The 2002 issue of the *Review of Maritime Transport* presents information on maritime transport developments for the African subregions and for fleet development of individual African countries. The *Review* estimates that freight costs for imports are almost 50 percent higher for African countries than for all developing countries combined. The *Transport Newsletter* published in 2001 contains a technical note on the evolution of containerized traffic in 43 African ports during the period 1997–2000. The expert meeting on "Electronic Commerce and International Transport Services" produced a number of important recommendations at the national and international levels that aimed to improve the effectiveness of the transport sector and thus enhance competitiveness.

45. The technical assistance projects to rehabilitate Somali port management were phased out at the end of 2001. These projects helped to improve administration and operations in this sector that is so important for the economic life of the northern region. During 2001, the development of an administrative framework for transit activities using Berbera to reach the Ethiopian hinterland continued through the preparation of draft legislation and workshops.

### *(a) Revision of the Northern Corridor Transit Agreement (NCTA)*

46. In collaboration with the ECA/SADC, UNCTAD is providing advisory services to assist the Governments of Burundi, the Democratic Republic of the Congo, Kenya, Rwanda and Uganda in revamping the Northern Corridor Transit Agreement governing transit operations along the Northern Corridor which links the port of Mombasa in Kenya and three landlocked neighbouring countries. The objective is that in the future the NCTA will provide a regulatory and institutional framework for transit and a rallying point for resource mobilization and enhancing private-sector participation.

### *(b) Comparative corridor study for Rwanda*

47. UNCTAD, in collaboration with EA/SRDC, has commissioned a study to evaluate Rwanda's main alternative corridors to the sea. The study, which will review the Central Corridor (transit through Tanzania) and the Northern Corridor (transit through Kenya and Uganda), will focus on important factors (e.g. transport costs, transit times, security, reliability) in order to provide Rwanda (the Government, shippers, etc.) with the elements needed for making sound corridor choices.

48. A review of progress in the development of transit transport systems in eastern and southern Africa was undertaken by UNCTAD, which also made recommendations regarding a broad range of policy measures and actions to enhance transit transport cooperation in the subregion.

***(c) Specific actions related to the particular needs and problems of landlocked developing countries***

49. The UNCTAD progress report submitted to the General Assembly under cover of the Note of the Secretary-General of the United Nations (A/56/427) and dated 10 October 2001 dealt with major issues of interest to the 15 African landlocked developing countries. In response to the report, the General Assembly invited, *inter alia*, donor countries, the United Nations Development Programme and multilateral financial and development institutions to provide landlocked and transit developing countries with appropriate financial and technical assistance in the form of transport, storage and other transit-related facilities, including alternative routes and improved communications, and to promote subregional, regional and interregional projects and programmes.

***(d) Advance Cargo Information System (ACIS)***

50. In the COMESA subregion, five railways and two ports commissioned RailTracker and PortTracker in June 2001, effectively handing over the operational systems to the beneficiaries in Kenya, Tanzania, Uganda and Zambia. Other activities include proposals for implementation of RailTracker by Moroccan State Railways (ONCF) under the auspices of the French national railway and with funding from the World Bank; in Egypt (with the German national railway and Siemens); by Nigerian Railways; by the new Beit Bridge Railway in Southern Africa; and by Congolese Railways under the auspices of COMESA. New versions of the software have been provided to the railways of Sudan and Cameroon. Regarding PortTracker, interest has been expressed by the ports of Dakar and Abidjan. Finally with regard to RoadTracker, the ECA Centre for Land-Locked Countries in Kigali has committed funding, on behalf of Kenya, Rwanda and Uganda, to draft a proposal to install RoadTracker on the Northern Corridor between Mombasa and Kigali for transit cargo.

51. The Rolling Stock Information System (RSIS) project in Southern Africa (SADC), which will allow the linking together of the information systems of 11 railways of the subregion, was to become operational in 2001. The implementation of the project was delayed by problems between the funding agency and the prime contractor. It is expected that the situation will be resolved shortly and the system will become operational in 2002.

## C. Debt and debt management

### 1. Paris Club

52. UNCTAD offers assistance to African and other debtor countries in preparing their negotiations in the Paris Club. It continues to participate as an observer in meetings of the Paris Club for the renegotiation of developing countries' official bilateral debts. In 2001 and the first five months of 2002, a total of 22 countries concluded new agreements on the rescheduling or restructuring of their debts with Paris Club creditors. Fourteen of the countries were from sub-Saharan Africa, all of them heavily indebted poor countries (HIPCs). Mozambique and the United Republic of Tanzania reached their completion points under HIPC in 2001 and concluded agreements on debt stock reduction whereby most, but not all,

of their pre-cut-off-date debts to Paris Club creditors are to be cancelled. Beyond these agreements, they should also benefit from additional debt write-offs undertaken by these creditors on a bilateral basis. Nine other African HIPCs – Cameroon, Chad, Ghana, Guinea, Guinea-Bissau, Madagascar, Malawi, Niger and Rwanda – obtained flow reschedulings on Cologne terms (i.e. 90 per cent debt service reduction in present value terms), with creditors in general choosing the option of outright cancellation of payments due during the consolidation period. Ethiopia and Sierra Leone for their part secured Naples terms relief involving a 67 per cent debt service reduction in present value terms, and Côte d'Ivoire obtained Lyon terms corresponding to 80 per cent debt service reduction. Agreements with the latter three countries were concluded pending achievement of the HIPC decision point.

### 2. HIPC initiative

53. UNCTAD's research and policy analysis in the area of developing country debt, including that of the African countries and the HIPCs, is reflected in the annual report on the debt situation of developing countries submitted to the General Assembly. The latest report (A/56/262) discusses outstanding issues in the implementation of the HIPC initiative. While the enhanced initiative has brought some improvement over the original scheme, it needs further changes to make tangible progress in resolving the debt problems of poor countries. These include measures to accelerate the actual provision of debt relief, *inter alia* by facilitating the process of preparing and implementing Poverty Reduction Strategy Papers (PRSPs), which for many countries constitute an excessively high hurdle. Moreover, evidence is increasingly suggesting that the debt sustainability exercises undertaken in the context of HIPCs have been overly optimistic in estimating the level of indebtedness that countries would be able to sustain after receiving debt relief. This underscores the importance of making an independent assessment of debt sustainability; such an assessment should not be restricted to HIPC countries but should also encompass other debt-distressed low-income and middle-income countries. Another crucial factor for the success of the HIPC initiative is the additionality of debt relief in comparison with overall pre-debt-relief transfers.

### 3. Debt Management and Financial Analysis System (DMFAS)

54. During 2001, the DMFAS Programme fielded 25 missions to 11 different African countries,[4] mainly to provide training in debt management and in certain cases to install/implement DMFAS version 5.2. The Programme also participated in DMFAS seminars and regional workshops in the field and hosted government officials from three countries of the region in Geneva for training on specific components of the DMFAS system related to the Paris Club and the HIPC initiative.

55. The DMFAS Programme has been engaged in capacity-building activities in debt management in eastern and southern Africa since 1985. UNCTAD's support to the region has to a large extent been delivered in cooperation with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

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[4] Angola, Burkina Faso, Burundi, Chad, Côte d'Ivoire, Egypt, Gabon, Madagascar, Mauritania, Rwanda and Togo.

56. 2002 is expected to be a relatively active year in the MEFMI region. An updated cooperation agreement between UNCTAD and MEFMI will be signed during the year, and, as part of the work programme attached to this agreement, UNCTAD has agreed to train three MEFMI fellows specialized in debt management in 2002. Also, UNCTAD participated with a resource person in a joint MEFMI/World Bank workshop on risk management in Mbabane/Swaziland in November 2001.

57. In 2001, UNCTAD approached Pôle Dette to establish a formal cooperation, similar to the one it has with MEFMI, in order to deliver joint activities in capacity-building in the area of debt management. In the meantime, joint activities have already started, and UNCTAD has participated in a Pôle Dette seminar on risk management in Libreville, Gabon.

58. In December 2001, the third interregional debt management conference was attended by representatives of 64 countries, 25 of them African. Resource persons from African debt offices made several of the key presentations at this meeting.

59. It is generally accepted that gains to recipient countries far exceed the cost of DMFAS country projects. The cost of these projects in Africa ranges from US$50,000 to over US$900,000, depending on the activities undertaken, the size of the debt database to be computerized, and the equipment and staff included in the project. DMFAS has made debt-servicing procedures more efficient. Substantial savings are achieved by checking inconsistencies in the claims of creditor agencies and such costs as overpayments or penalty interests resulting from poor bookkeeping. DMFAS ensures that countries have an up-to-date database on debt as well as better preparation for loan and rescheduling negotiations, including in the context of the enhanced HIPCs initiative.

## D. International investment and enterprise development

### 1. Investment

60. The regional section on Africa in *World Investment Report 2001* included a section on recent trends in foreign direct investment (FDI) in Africa. In 2001, UNCTAD carried out a survey with Invest in France Agency and Arthur Andersen on the investment plans of 600 of the world's largest TNCs. The results were published in a press release issued in December 2001 and will be reflected more extensively in *World Investment Report 2002*. In connection with the ECOSOC Africa Forum for Investment Promotion (Geneva, 16 July 2001), a background note on the "Investment Climate and FDI Trends in Africa" was prepared which served as the basis for a round-table discussion on the subject.

61. The joint UNCTAD–International Chamber of Commerce (ICC) project on investment guides and capacity-building for LDCs is about to be completed. Among the five LDCs covered, investment guides have been published for Ethiopia, Mali, Mozambique and Uganda. An independent panel of experts produced an evaluation report on the project and recommended the extension of the project to other countries.

62. In the context of the project on "Needs Assessment to Attract Asian FDI into Africa", reports and country investment profiles on five selected countries (Botswana, Ghana, Madagascar, Mozambique and the United Republic of Tanzania) were examined at a high-level round-table discussion on "The Role of Asian FDI in African Development – How to Make It Work?" held in Durban, South Africa, from 10 to 11 July 2001. The results will be included in a technical cooperation guidebook designed to promote Asian FDI in Africa.

63. The project on "Development of Competitive Insurance Markets" aims to establish in developing countries, in particular African ones, competitive and efficient insurance markets so as to improve access for a large part of the population to insurance services and to prepare countries for further liberalization of the financial services sector. Three events were organized in Africa in 2001 to improve the understanding of the role of supervisors and enhance the competence and technical abilities of the staff of supervisory authorities of African countries. Also, events were organized on the impact of liberalization, a rating scheme for African insurers was established under which 20 African insurers have already been rated, and software for African insurers was developed that will be installed in at least 50 companies starting in mid-2002.

***(a) Investment promotion***

64. Within the framework of the new strategy for capacity-building in investment promotion in developing countries, UNCTAD organized a third workshop on attracting investment to Egypt (from 26 to 28 May 2001, in Cairo, Egypt)[5] for middle- to senior-level diplomats to be posted abroad.

65. In 2001, UNCTAD contributed to a training workshop organized by the Multilateral Investment Guarantee Agency (MIGA) that was held in Kampala (Uganda) from 23 to 26 July 2001. The "Techniques of Investment Promotion Using the Internet" workshop was attended by investment promotion professionals from Ethiopia, Kenya, Malawi, Uganda, the United Republic of Tanzania and Zanzibar. The workshop surveyed new developments in the use of information technology in investment promotion.

***(b) Investment Policy Reviews (IPRs)***

66. In 2001, IPRs for Mauritius and the United Republic of Tanzania were completed, and IPRs for Botswana, Ethiopia and Ghana were in progress. In this connection, an evaluation mission was undertaken to Gaborone, Botswana, from 3 to 14 June 2001 to provide input for the IPR for Botswana. Likewise, a mission was fielded to Accra, Ghana, from 28 June to 13 July 2001; the findings of the mission will be used as input for the IPR for Ghana. In 2001, UNCTAD also continued follow-up work on the IPR for Uganda, where activities were started in the preceding year.

67. UNCTAD has been working with the NEPAD Steering Committee on investment-related issues. In particular, at the Monterrey Conference on Financing for Development, a parallel meeting of the UNCTAD/ICC Investment Advisory Council on the LDCs was held

[5] See TD/B/EX(27)/2.

in collaboration with the NEPAD Steering Committee in order to discuss the role of FDI in implementing NEPAD.

***(c) International investment agreements***

68. During the Third United Nations Conference on the Least Developed Countries held in Brussels, Belgium, from 14 to 20 May 2001, UNCTAD organized a Bilateral Investment Treaties (BITs) signing ceremony. Twenty-nine bilateral investment treaties were signed on this occasion. The participants included, among others, Benin, Burkina Faso, Burundi, Cameroon, Chad, Comoros, Ghana, Guinea, Mali, Mauritania and Mauritius. On another occasion, 13 BITs were concluded among 10 participating countries in Bonn, Germany, between 1 and 6 October 2001. The participants included Eritrea, Malawi, Mozambique, Sudan and Uganda.

69. An intensive training course on negotiating international investment agreements (IIAs) for French-speaking countries took place in Alexandria, Egypt, from 5 to 15 June 2001. The 21 participants included representatives from Benin, Burkina Faso, Burundi, Cape Verde, Chad, Comoros, the Democratic Republic of the Congo, Gabon, Guinea, Madagascar, Mali, Mauritania, Mauritius, Morocco and Tunisia.

**2. Enterprise development**

70. In Morocco in 2001, training activities continued with the organization of three Entrepreneurship Training Workshops for more than 50 participants and the certification of a lead trainer and a co-trainer. In June 2001, the Association Marocaine des Empretecos was founded and its Web site created (www.empretecmaroc.co.ma). The Centre Empretec Maroc is being legally created as a non-profit association.

71. In Uganda in 2001, project staff members, trainers and business counsellors were selected and hired by the Ministry of Finance, UNDP, Enterprise Africa and UNCTAD. Three Empretec Training Workshops were organized in the second semester, training over 100 entrepreneurs, of whom 40 percent were women. The project was presented to and discussed with a broad range of banks, business associations, donors, NGOs and other relevant organizations. It has been agreed that the project will cooperate closely with the Italian-funded UNIDO project which operates within the Uganda Investment Authority. The Government of Norway has pledged US$500,000 for 2003–2004 to complement the budget.

## E. UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development

72. Within the framework of the UNDP/UNCTAD project on Globalization, Liberalization and Sustainable Human Development, a first mission was undertaken to Tunisia (Tunis) from 7 to 9 February 2001. The aim of the mission was to contribute to the consultations on the *Common Country Assessment for Tunisia (CCA)* study being prepared by national consultants. Three main areas of the study were identified: international trade, investment and related human development issues. A joint United Nations/Government of

Tunisia Steering Committee monitored the exercise to ensure its consistency with the parallel effort of the preparation of the tenth National Economic and Social Plan for 2002–2006. The resulting CCA study also provided the conceptual background for the formulation of the 2002–2006 United Nations Development Assistance Framework (UNDAF). A similar exercise was carried out in Mali. Two UNCTAD missions to Mali were undertaken: from 15 to 19 January 2001 (to launch the CCA Mali study) and from 15 to 21 July 2001 (to review the progress of work for the preparation of the study and undertake consultations with the Government of Mali for the organization of the national workshop planned to be held in 2002).